

CONTRACT #5
RFS # 318.65-216

**Department of Finance &
Administration
Bureau of TennCare**

VENDOR:
ACS State Healthcare, LLC



STATE OF TENNESSEE
BUREAU OF TENNCARE
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

July 17, 2008

Mr. Jim White, Director
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
Nashville, TN 37243

Attention: Ms. Leni Chick

RE: Bureau of TennCare
Contracts Submitted for Fiscal Review

RECEIVED
JUL 18 2007
FISCAL REVIEW

Dear Mr. White:

The Department of Finance and Administration, Bureau of TennCare, is submitting for consideration by the Fiscal Review Committee amendment #1 to ACS State Healthcare, LLC, RFS 318.65-216. This competitively bid contract was awarded to ACS to provide a Call Center for TennCare enrollees to address their concerns regarding assistance in receiving necessary medical care, accessing information as specified by TennCare for follow-up, and resolution of medical issues and appeals. The payment methodology in the current contract is based on a per call rate, however, during the course of this contract, it has become apparent that occasional system applications modifications are necessary to accommodate changes to the TennCare State Plan or any waiver amendments. Therefore, TennCare is amending the contract to establish language allowing these modifications and provide funding to support the changes requested.

Additionally, TennCare is submitting amendment #5 to First Health Services Corporation, the competitively awarded contract for TennCare's Pharmacy Claims Processing and Preferred Drug List Development and Management. Per language in the Request for Proposal and eventual awarded contract, TennCare is exercising our option to extend this contract for an additional six months. The payment rates established in the previous referenced RFP have been negotiated and reduced, therefore less funds will be spent on the continuation of services for this six month period of time. No additional funding is required to proceed with this extension of services.

Mr. Jim White
July 17, 2008
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The three Behavioral Health Organizations (BHOs) listed below are being amended to establish rates that will be in effect for the remainder of the Fiscal Year. Due to the fact that the rates for medical and behavioral services are provided to TennCare through the services of an independent actuary, TennCare was unable to provide these newly established rates in time to the Contractor for review prior to completion of the previous term amendment. Therefore, this amendment proposes the actual, agreed upon rates that will be in effect for the remainder of FY '08.

Premier Behavioral Health Systems of TN, LLC
Tennessee Behavioral Health, Inc.
Tennessee Behavioral Health, Inc.

FA-01-14662-19
FA-05-16089-09
FA-01-14661-18

The Bureau of TennCare would greatly appreciate the consideration and approval of these amendments by the Fiscal Review Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Pierce", with a long horizontal line extending to the right.


Scott Pierce
Chief Financial Officer

cc: Darin J. Gordon, Deputy Commissioner
Alma Chilton, Contract Coordinator

C O N T R A C T S U M M A R Y S H E E T

021406

RFS #		Contract #	
318.65-216-07		FA-07-17090-01	
State Agency		State Agency Division	
Department of Finance and Administration		Bureau of TennCare	
Contractor Name		Contractor ID # (FEIN or SSN)	
ACS State Healthcare, LLC		C- or X V- 582479287 01	
Service Description			
Call Center for TennCare			
Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
November 1, 2006	October 31, 2009	vendor	93.778 Dept. of Health & Human Services/Title XIX
Mark Each TRUE Statement			
X Contractor is on STARS		X Contractor's Form W-9 is on file in Accounts	
Allotment Code	Cost Center	Object Code	Fund
318.65	066	083	11
FY	State	Federal	Interdepartmental
2007	\$295,234.00	\$295,234.00	
2008	\$690,466.00	\$690,466.00	
2009	\$590,466.00	\$590,466.00	
2010	\$196,824.00	\$196,824.00	
TOTAL	\$1,772,990.00	\$1,772,990.00	

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #	
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Scott Pierce 310 Great Circle Road Nashville, TN 37243 (615) 507-6415	
2007	\$590,468.00		State Agency Budget Officer Approval: 	
2008	\$1,180,932.00	\$200,000.00		
2009	\$1,180,932.00			
2010	\$393,648.00			
	\$590,468.00			
TOTAL	\$3,345,980.00	\$200,000.00	Funding Certification (certification required by T.C.A. § 9-4-5113; that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)	
End Date:	October 31, 2009			

Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)				
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input type="checkbox"/> NOT minority/disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—	
Contractor Selection Method (complete for ALL base contracts — N/A to amendments or delegated authorities)				
<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method		
<input type="checkbox"/> Non-Competitive Negotiation	Negotiation w/ Government (e.g., ID, GG, GU)		<input type="checkbox"/> Other	
Procurement Process Summary (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)				

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration
Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	318.65-216	
2) State Agency Name :	Department of Finance and Administration Bureau of TennCare	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	Call Center for TennCare Enrollees	
4) Contractor :	ACS State Healthcare, LLC	
5) Contract #	FA-07-17090-00	
6) Contract Start Date :	November 1, 2006	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	October 31, 2009	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$3,345,980.00	
PROPOSED AMENDMENT INFORMATION		
9) <u>Proposed</u> Amendment #	1	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	Upon Execution of Amendment Explanation Attached	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	October 31, 2009	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$3,545,980.00	
13) Approval Criteria : (select one)	<input checked="checked" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
<p>ACS is a competitively awarded contract that provides a Call Center for TennCare enrollees to address their concerns regarding assistance in receiving necessary medical care, gathering information as specified by TennCare for follow-up and resolution of medical issues and appeals. An RFP was released by TennCare and ACS was the competitive winner. Currently, the payment methodology in the contract is based on a per call rate. During the course of the contract it has become apparent that</p>		

due to State plan or waiver amendments that require system application modifications, the Contractor is charged with significant costs to make these application adjustments. Therefore, TennCare is amending the contract to establish language allowing these modifications and provide funding to support the changes as requested.

15) Explanation of Need for the Proposed Amendment :

Currently, the payment methodology in the contract is based on a per call rate. During the course of the contract it has become apparent that due to State plan or waiver amendments that require system application modifications, the Contractor is charged with significant costs to make these application adjustments. Therefore, TennCare is amending the contract to establish language allowing these modifications and provide funding to support the changes as requested.

16) Name & Address of Contractor's Current Principal Owner(s) :

(not required if proposed contractor is a state education institution)

ACS is a Limited Liability Company
Michael M. Davis, Chief Operating Officer
9040 Roswell Road
Atlanta, Georgia 30350

17) Documentation of Office for Information Resources Endorsement :

(required only if the subject service involves information technology)

select one:

☒ Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :

(required only if the subject service involves training for state employees)

select one:

☒ Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

19) Documentation of State Architect Endorsement :

(required only if the subject service involves construction or real property related services)

select one:

☒ Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

ACS is a competitively awarded contract that provides a Call Center for TennCare enrollees to address their concerns regarding assistance in receiving necessary medical care, gathering information as specified by TennCare for follow-up and resolution of medical issues and appeals. An RFP was released by TennCare and ACS was the competitive winner.

21) Justification for the Proposed Non-Competitive Amendment :

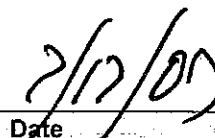
ACS is a competitively awarded contract that provides a Call Center for TennCare enrollees to address their concerns regarding assistance in receiving necessary medical care, gathering information as specified by TennCare for follow-up and resolution of medical issues and appeals. An RFP was released by TennCare and ACS was the competitive winner. TennCare is proposing an amendment that will establish scope of service language and funding to support the system changes brought about as a result of State Plan and waiver changes that necessitate application changes. The Bureau of TennCare would greatly appreciate a favorable response to this request by the Department of F&A and the Fiscal Review Committee.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)



Agency Head Signature



Date

JUSTIFICATION

ACS State Healthcare, LLC is a competitively awarded contract that provides a Call Center for TennCare enrollees to address their concerns regarding assistance in receiving necessary medical care, gathering information as specified by TennCare for follow-up and resolution of medical issues and appeals. An RFP was released by TennCare and ACS was the competitive winner. Currently, the payment methodology in the contract is based on a per call rate. During the course of the contract it has become apparent that due to State plan or waiver amendments that require system application modifications, the Contractor is charged with significant costs to make these application adjustments. Therefore, TennCare is amending the contract to establish language allowing these modifications and provide funding to support the changes as requested. For these reasons, it is TennCare's request that this amendment become effective immediately upon execution.

**AMENDMENT #1 TO FA-07-17090-00
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE
AND
ACS STATE HEALTHCARE, LLC**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Bureau of TennCare, hereinafter referred to as the "State" or "TennCare" and ACS State Healthcare, LLC, hereinafter referred to as the "Contractor," for the provision of incoming toll-free call center to address questions about TennCare services from TennCare enrollees, is hereby amended as follows:

1. Delete Section A.3 in its entirety and replace with the following:
 - A.3. The Contractor shall provide 24-hour assistance to callers in both English and Spanish. The Contractor shall ensure that English-speaking representatives are fluent in English, Spanish-speaking representatives are fluent in Spanish, and that all representatives can be easily understood by English and Spanish-speaking callers respectively for whom such language is the callers' primary spoken language. Assistance to Spanish-speaking callers may be provided in the following manner: at minimum, the Contractor shall provide Spanish-speaking representatives on-site during the hours of 8:00am through 5:00pm, Monday through Friday. Only at times other than 8:00am-5:00pm, Monday through Friday, may the Contractor utilize a TennCare-approved Interpreter Service to provide interpretation to Spanish-speaking callers. The Contractor shall also utilize foreign language assistance lines provided by a consumer advocacy program which is another of the State's contracted vendors, in an effort to provide assistance to other non-English speaking enrollees. These lines include Arabic, Bosnian, Kurdish-Badinani, Kurdish-Sorani, Somali, and Vietnamese. The Contractor will also maintain 24-hour access to a TTY/TDD line.
2. Add the following new language as A.22.c:
 - A.22.c. TennCare shall be responsible for actual costs of application modifications that require State plan or waiver amendments.
3. Delete Section C.1 in its entirety and replace with the following:
 - C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Three Million Five Hundred Forty-Five Thousand Nine Hundred Eighty Dollars (\$3,545,980.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

4. Delete C.3 in its entirety and replace with the following:

- C.3. **Payment Methodology.** The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following Service Rates:

<u>SERVICE UNIT/MILESTONE</u>	<u>AMOUNT</u>
On-Site Training (December 1, 2006 – December 31, 2006)	\$ 1.00 Per Day for each Staff Member
Call Center Service	\$ 11.35 Per Call
Software Enhancements and Modifications (A.22.c)	Actual Cost Incurred

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or project milestones for the amount stipulated.

All other terms and conditions of this contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

ACS State Healthcare, LLC

Michael M. Davis, Chief Operating Officer

Date

**DEPARTMENT OF FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE**

M. D. Goetz, Jr., Commissioner

Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr., Commissioner

Date

COMPTROLLER OF THE TREASURY:

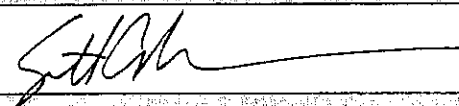
John G. Morgan, Comptroller of the Treasury

Date

CONTRACT SUMMARY SHEET

021406

RFS #				Contract #			
318.65-216-07				FA-07-17090-00			
State Agency				State Agency Division			
Department of Finance and Administration				Bureau of TennCare			
Contractor Name				Contractor ID # (FEIN or SSN)			
ACS State Healthcare, LLS				X - V		582479287 01	
Service Description							
Call Center for TennCare							
Contract Begin Date		Contract End Date		SUBRECIPIENT or VENDOR?		CFDA #	
November 1, 2006		October 31, 2009		Vendor		93.778 Dept. of Health & Human Services/Title XIX	
Mark Each TRUE Statement							
<input checked="" type="checkbox"/> Contractor is on STARS				<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts			
Allotment Code		Cost Center		Object Code		Fund	
318.65		066		083		11	
Funding Grant Code		Funding Subgrant Code					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount		
2007	\$295,234.00	\$295,234.00			\$590,468.00		
2008	\$590,466.00	\$590,466.00			\$1,180,932.00		
2009	\$590,466.00	\$590,466.00			\$1,180,932.00		
2010	\$196,824.00	\$196,824.00			\$393,648.00		
TOTAL:		\$1,672,990.00	\$1,672,990.00			\$3,345,980.00	

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #	
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Scott Pierce 310 Great Circle Road Nashville, TN 37243 (615) 507-6415	
			State Agency Budget Officer Approval	
				
			Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)	
TOTAL:				
End Date:				

Contractor Ownership (complete only for base contracts with contract # prefix: FA or GR)				
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input checked="" type="checkbox"/> NOT minority/disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—	
Contractor Selection Method (complete for ALL base contracts—N/A to amendments or delegated authorities)				
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<input type="checkbox"/> Non-Competitive Negotiation	Negotiation w/ Government (e.g., ID, GG, GU)		<input type="checkbox"/> Other	
Procurement Process Summary (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)				